

Realty Trust Review

September 22, 1978
Priced Sept. 18

©1978 Audit Investment Research, Inc.

VOL. IX, No. 18

INVESTMENT OUTLOOK AND STATISTICAL ISSUE

| | |
|---|-----|
| Investment outlook: Prices of nondividend payers surge even after fallback... | 1 |
| Earnings trends: Special items continue to bolster profits for troubled ones. | 7 |
| Table: New Earnings Reports of latest quarters for 33 trusts..... | 8 |
| Comments on: <u>Guardian Mtg.</u> , <u>Growth Realty</u> , <u>First Newport</u> , <u>MassMutual</u> | |
| Dividend trends: Flatley resumes payout and five upticks mark September..... | 3 |
| Table: Latest Dividend Declarations for trusts..... | 3 |
| Graph of Audit Investment Index of mortgage and equity (property) trusts..... | 2 |
| Nonearning investments: Our monthly tally shows another 3% drop..... | 6 |
| Computerized Comparative Trust Group Averages..... | 3 |
| Comparative Trust Statistics for 141 realty trust shares..... | 4&5 |
| Statistics for 14 warrants and 42 convertibles..... | 6 |
| Statistics for 38 straight bond issues of trusts..... | 3 |
| How to Use Comparative Trust Statistics..... | 6 |
| Tender/exchange offers: Barnett Winston wraps up deal; Institutional near.... | 7 |
| Debt trends: New mortgage debt letting some trusts get back in business..... | 2 |

INVESTMENT OUTLOOK: PRICES OF NONDIVIDEND PAYERS SURGE EVEN AFTER FALLBACK

An influx of sophisticated risk money is driving prices of troubled trusts up.

The computer printout on page 3 tells the story of one of the most amazing months for realty trust stocks:

The mortgage/foreclosed property trusts surged 18.4% in the month--at a time when the Dow-Jones Industrials was swooning over interest rate blues.

Not a single trust in this group pays a dividend.

Wall Street clearly believes that the blazing real estate market will make most realty trusts whole sooner or later--and investors are willing to pay up now.

But we cautioned last issue that "this is a boiling market where you can easily overpay by chasing moving stocks."

That caveat still holds. If you're buying, protect yourself with stoploss orders because the downward ride can be breathtaking. If you play, stay with liquid stocks (mostly listed ones) so you won't be hurt if quotes dry up.

Cases in point: South Atlantic Trust dropped 21% the past two weeks; it was up 57% the prior two weeks.

Diversified Mortgage fell back 13% to 5 after jumping 70% the previous two weeks. MEI Corp., diversified Minneapolis company, has acquired 7.4% of DMG's stock, the first

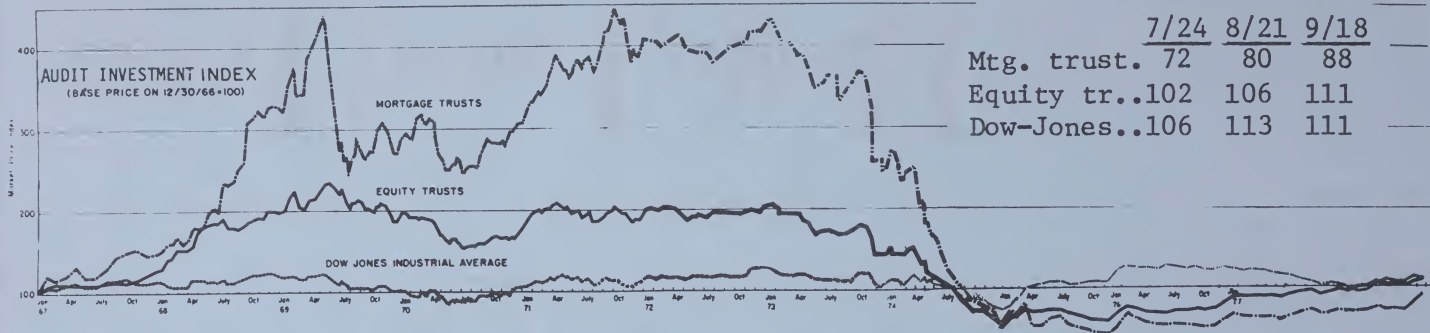
NEW THIS ISSUE - RELATIVE APPEAL RANKINGS ADDED TO STATS

This month's statistical tables on pages 4 and 5 include current Relative Appeal Rankings for the first time. This way you have both current statistics and the current ranking in one place. And we can revise Rankings quickly as events change.

KENNETH D. CAMPBELL, EDITOR AND PUBLISHER, BERNARD SOLAS, C.F.A., DIRECTOR OF RESEARCH/ AUDIT INVESTMENT RESEARCH, INC., 230 PARK AVENUE, NEW YORK 10017

REALTY TRUST REVIEW, REAL ESTATE DISCLOSURE DIGEST, REIT EVALUATIONS, and special industry investment reports are published by Audit Investment Research, Inc., an independent advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Under no circumstances is anything contained herein to be construed as an offer to purchase or a solicitation to sell any security mentioned. Information has been obtained from sources believed to be reliable and reasonable care has been exercised in compilation, but accuracy or completeness cannot be guaranteed. Expressions of opinion are solely the responsibility of the publisher and may be changed at any time without notice. Periodical advisory services are mailed to reach subscribers no later than the Monday following publication date; Audit's officers, employees and printers are not permitted to trade upon any recommendation until the Tuesday following. Subscriptions may not be assigned without consent and unused portion refunded on request. All stock charts courtesy R. W. Mansfield Co. Copyright ©1978 by Audit Investment Research, Inc., 230 Park Ave., New York, N.Y. 10017. May not be reproduced or photographed in any form without written permission. Additional copies available at group rates.

PUBLISHED TWICE MONTHLY ON THE SECOND AND FOURTH FRIDAYS/SUBSCRIPTIONS \$136 ANNUALLY / SINGLE COPY \$7 / BACK ISSUES \$1.25 TO SUBSCRIBERS ONLY ■ GROUP RATES ON REQUEST



Big Board-listed company to show money-backed interest in the trusts.

Last issue we suggested two strategies to take advantage of the deep discounts still available while still protecting yourself from the prospect of rising rates.

The rate picture has turned ominous in the past two weeks—but not enough for us to alter our basic economic scenario for realty trust stocks as conveyed in the Sept. 8 Relative Appeal Rankings.

The Federal Reserve apparently is raising the Federal funds rate another notch and the prime could move up from its 9½% level.

Mortgage money inflow to the savings & loan associations has slacked off in August, judging from early reports, and this could pinch overall mortgage supply.

If so, it could slow land disposition by some land-heavy recovering trusts.

Rising rates boost odds for a recession sometime during 1979—the sooner the better for the White House because no sitting President likes to run near recession time.

We don't see that as a real threat to continued real estate recovery. There simply isn't that much product in the market, and virtually no land speculation.

The three big trusts still making construction loans—Equitable Life Mtg., Lomas & Nettleton Mtg. and Wells Fargo M&E aren't making any great volume of land development loans. And most construction loans are covered by permanent loan takeouts this time—Wells Fargo is covered with takeouts on 89% of construction loans, for instance.

So caution but not panic is our basic investment stance.

DEBT TRENDS: NEW MORTGAGE MONEY LETTING SOME TRUSTS GET BACK INTO BUSINESS

C.I. Realty has just put a \$20 million mortgage on a Manhattan office tower, netting it \$10 million over old debt to let CIR repay all bank debt.

U.S. Realty Investments has arranged refinancing of its Terminal Tower in Cleveland to net \$7½ million over old debt and repay bank debt by that amount. The deal lets USRI commit \$3.75 million of internally generated funds to new equity properties.

Mission Investment has a \$2.4 million motel loan commitment that combines with a \$3.2 million foreclosure settlement to give it a strong shot at repaying banks down to \$7 million by Oct. 31, where it can earn about 3¢/sh. interest forgiveness.

And Realty Income Trust has opened escrow on sale of its 54% share in 1,100 acres in San Diego. If the sale closes to an NYSE-listed homebuilder, RIT will net about \$3.66/sh.

All these deals make very clear that a surge of mortgage money on properties is really helping the cleaner recovery trusts. A strong supply of money—albeit at high prices—is helping restore health to some trusts. Items:

C.I. Mortgage Group got \$128 million nonbinding bids in its first auction of assets to pay down banks. NJB Prime Investors says it has 51% approvals of a pre-approved Chapter XI bankruptcy filing. And Realty Refund plans offering \$20 million senior debentures to repay short-term bank debt and insulate itself from rising rates.

DIVIDEND TRENDS: FLATLEY RESUMES PAYOUT AND FIVE UPTICKS MARK SEPTEMBER

Flatley Realty Investors returned to ranks of dividend payers with a 20¢ declaration, first in four years for the smaller Braintree, Mass. trust. Flatley had met troubles in mortgage loans but moved aggressively to foreclose and restore profits. It earned 23¢/sh. in the June 1978 fiscal year (table, p. 8).

Flatley is the fourth to resume payouts this year (vs. five for all of 1977). The class of 1978 so far: ICM Realty on an annual basis; General RE Shares; and U.S. Bancorp R&M. But the list of resumption candidates is narrowing: Only 18 qualified trusts aren't paying and three are in process of possibly giving up REIT status: B.F. Saul, Amer. Century and Cont. Ill. RL.

Five other trusts boosted payouts by an average 5% from the previous quarter and 15% over 1977. All reflect steady, well defined recoveries. The five: First Continental REIT, First Union RE, Fraser Mtg. Inv., Hubbard REI and Mortgage Growth. Both Hubbard and Mortgage Growth are free of bank debt so aren't periled by rising rates. First Union trustees cited "confidence in operating results for 1979."

| Trust | Record date | --Quarterly dividend/share-- | | | -% Chng. from-- | |
|-------------------------|-------------|------------------------------|----------|----------|-----------------|--------|
| | | Latest | Previous | Year-ago | Prev.Q | Yr-ago |
| Consolidated Capital.. | 9/17 | \$0.17M | \$0.17M | \$0.168M | UC | + 1% |
| Cont. Illinois Props.. | 10/2 | 0.32 | 0.32 | 0.32 | UC | UC |
| Federal Realty Inv.... | 9/25 | 0.34 | 0.34 | 0.32 | UC | + 6 |
| FLATLEY REALTY INV.... | 9/1 | 0.20 | None | None | +100 | +100 |
| First Cont'l. REIT.... | 9/30 | 0.25 | 0.24 | 0.22 | + 4 | +14 |
| First Union RE..... | 10/13 | 0.27 | 0.26 | 0.25 | + 4 | + 8 |
| Fraser Mtg. Invest.... | 10/1 | 0.28 | 0.27 | 0.25 | + 4 | +12 |
| GREIT Realty..... | 10/17 | 0.10 | 0.10 | 0.10 | UC | UC |
| Hospital Mtg. Group.... | 10/2 | 0.15 | 0.15 | 0.15 | UC | UC |
| Hubbard REI..... | 9/22 | 0.36 | 0.34 | 0.31 | + 6 | +16 |
| MassMutual Mtg. & Rl.. | 9/20 | 0.34 | 0.34 | 0.31 | UC | +10 |
| MONTY Mtg. Investors... | 9/29 | 0.23 | 0.23 | 0.23 | UC | UC |
| Mortgage Growth Inv... | 9/29 | 0.16 | 0.15 | 0.12 | + 7 | +25 |
| New Plan Realty..... | 9/15 | 0.085M | 0.085M | 0.08M | UC | + 6 |
| Rlty. & Mtg. of Pacif. | 9/29 | 0.32 | 0.32 | 0.28 | UC | +14 |
| University REIT..... | 9/22 | 0.06M | 0.06M | 0.08M | UC | -25 |

UC--Unchanged. M--Monthly dividend. Trusts with reductions from previous quarter underlined. Trust resuming dividends are CAPITALIZED.

COMPARATIVE TRUST GROUP AVERAGE 09/18/78

| GROUP | QUAL | NON-QUAL | TOTAL | SHARE (000) | BOOK VALUE | ANN DIV* | EARN ANN* | LAST PRICE | -% CHNG FROM-- MON AGO | JAN 1 | P/E RATIO | ANN* YIELD | % PR TO BK | RETURN ON BK | MARKET VALUE |
|------------------------------|------|----------|-------|-------------|------------|----------|-----------|------------|------------------------|-------|-----------|------------|------------|--------------|--------------|
| PROPERTY--LARGE | 21 | 0 | 21 | 2169 | 11.27 | 1.02 | 1.08 | 13.85 | 4.9 | 8.8 | 12.8 | 7.4 | 22.9 | 9.6 | 705.7 |
| -SMALL | 7 | 0 | 7 | 893 | 12.68 | 1.30 | 1.55 | 13.52 | 3.9 | 14.9 | 8.7 | 9.6 | 6.6 | 12.2 | 78.0 |
| -SUBOR LAND | 3 | 0 | 3 | 1862 | 16.03 | 1.08 | 1.62 | 12.38 | 4.1 | 4.6 | 7.7 | 8.7 | -22.8 | 10.1 | 59.4 |
| AVERAGE 3 PROP GROUPS | | | 31 | 1851 | 12.04 | 1.08 | 1.23 | 13.62 | 4.6 | 9.7 | 11.0 | 8.0 | 13.1 | 10.3 | 843.1 |
| PROP & MTG COMBINATION | 15 | 9 | 24 | 2150 | 9.63 | 0.40 | 0.51 | 8.21 | 7.6 | 22.9 | 16.0 | 5.8 | -14.7 | 5.3 | 485.0 |
| SHORT-TERM MTG | 11 | 0 | 11 | 1757 | 14.99 | 0.59 | 0.65 | 10.05 | 6.2 | 20.9 | 15.6 | 5.8 | -33.0 | 4.3 | 212.7 |
| LONG-TERM MTG/PROP | 13 | 0 | 13 | 3448 | 14.71 | 0.97 | 0.93 | 11.47 | 5.4 | -2.1 | 12.3 | 8.5 | -22.0 | 6.3 | 508.4 |
| MTG/FCLSD PROP--MISC | 8 | 7 | 15 | 2717 | 3.86 | 0.00 | 0.51 | 3.86 | 15.0 | 57.3 | 7.5 | 0.0 | -0.1 | 13.4 | 154.1 |
| -BANK | 0 | 16 | 16 | 2060 | 2.98 | 0.00 | 0.10 | 3.97 | 22.1 | 62.5 | 38.3 | 0.0 | 33.1 | 3.5 | 111.7 |
| -INDEPEND | 0 | 31 | 31 | 3239 | 0.80 | 0.00 | 0.20 | 2.70 | 18.2 | 80.5 | 13.4 | 0.0 | 235.7 | 25.1 | 215.7 |
| AVERAGE 3 MTG/FCLSD PROP | | | 62 | 2808 | 2.10 | 0.00 | 0.25 | 3.30 | 18.4 | 67.8 | 13.1 | 0.0 | 57.0 | 12.0 | 481.5 |
| OVERALL AVERAGE | 78 | 63 | 141 | 2463 | 7.74 | 0.44 | 0.60 | 7.69 | 7.8 | 19.0 | 12.7 | 5.8 | -0.6 | 7.8 | 2530.7 |
| DOW-JONES INDUSTRIAL AVERAGE | | | | | | | 91.37 | 870.15 | -2.1 | +4.8 | 9.5 | 5.4 | | | |

*Latest quarter annualized

STRAIGHT BONDS

STRAIGHT BONDS

| ISSUER & DESC. | EX | INT. | MAT | MIL \$ | PRICE | % CHANGE | % YIELD | ISSUER & DESC. | EX | INT. | MAT | MIL \$ | PRICE | % CHANGE | % YIELD |
|--------------------|----|-------|------|--------|--------|----------|---------|-----------------|----|-------|------|--------|--------|----------|---------|
| BARNETT MTG-C | OC | 6.75 | '91 | 5.4 | 62.00 | -3.0 | DEF | MIDLAND MTG-B | NY | 8.00 | '80 | 17.1 | 84.00 | 14.9 | 9 |
| BARNETT MTG-CD | OC | 8.50 | '98 | 9.6 | 92.00 | 2.2 | DEF | MTG INV WASH-BG | OC | 9.25 | '80 | 15.0 | 74.00 | 2.8 | 12 |
| BARNETT-WIN-CE | OC | 8.25 | '98F | 18.3 | 101.00 | 48.5 | DEF | NATIONWIDE RE-C | OC | 7.00 | '91 | 6.5 | 77.00 | 4.1 | 9 |
| BAY COLONY PROP-B | PS | 8.50 | '89 | 17.0 | 73.00 | 0.7 | 11 | NJB PRIME INV-C | OC | 7.00 | '80F | 4.7 | 47.00 | 20.5 | DEF |
| BAY COLONY PROP-C | NY | 8.50 | '81F | 6.8 | 84.75 | -2.2 | 10 | NO AMER MTG-B | OC | 8.50 | '87 | 12.1 | 73.00 | -2.6 | 11 |
| BT MTG INV-C | OC | 5.75 | '82 | 19.4 | 63.00 | 10.5 | 9 | NO AMER MTG-C | NY | 5.50 | '79 | 16.3 | 91.00 | -1.0 | 6 |
| CHASE MAN TR-A | OC | 7.88 | '78F | 36.7 | 81.00 | -0.5 | DEF | REALTY REFUND-C | NY | 12.00 | '98 | 15.0 | 104.50 | 2.5 | 11 |
| CHASE MAN TR-C | OC | 7.50 | '83 | 41.2 | 41.00 | 10.8 | 18 | SAUL (B.F.)-C | NY | 8.50 | '80 | 25.0 | 93.63 | -0.3 | 9 |
| CITIZENS RTLY-C | OC | 6.75 | '78 | 30.0 | 94.00 | 1.1 | DEF | SECURITY MTG-C# | AS | 7.25 | '82 | 50.0 | 88.50 | -0.5 | 8 |
| CITIZENS MTG INV-B | OC | 8.50 | '80 | 20.0 | 43.00 | 2.4 | DEF | SECURITY MTG-C# | OC | 6.00 | '82 | 17.1 | 67.00 | 0.0 | 9 |
| CONT ILL RTLY-B | NY | 7.63 | '79 | 25.0 | 91.50 | 0.0 | 8 | SO ATLANTIC-C# | NY | 6.75 | '82F | 16.9 | 72.75 | 1.0 | 9 |
| COUSINS M&E-C | NY | 6.50 | '82F | 30.0 | 73.63 | 8.3 | 8 | STATE MUT INV-B | NY | 9.00 | '80F | 6.2 | 95.00 | -0.9 | 9 |
| FIRST MTG INV-A | OC | 6.75 | '82 | 9.1 | 50.00 | 0.0 | 13 | TRI-SOUTH MTG-B | NY | 7.75 | '80F | 19.3 | 92.00 | 4.5 | DEF |
| FIRST NEWPORT-B | OC | 8.75 | '79 | 7.4 | 85.00 | 7.6 | 10 | | | | | | | | |
| FIRST VIRGINIA | OC | 4.00 | '80 | 15.0 | 73.00 | 9.0 | 5 | | | | | | | | |
| FIRST VIRGINIA-BM | OC | 8-12 | '80 | 5.0 | 85.00 | 9.0 | 9 | | | | | | | | |
| GMR PROPERTIES-C | AS | 7.70 | '80 | 20.0 | 89.50 | 5.9 | 8 | | | | | | | | |
| GREAT AMER MGMT-B | OC | 7.55 | '79 | 25.0 | 40.00 | 29.0 | VJ | | | | | | | | |
| GREAT AMER MGMT-C | OC | 8.75 | '83 | 25.0 | 20.00 | 0.0 | VJ | | | | | | | | |
| GROWTH RTLY-C | NY | 6.75 | '82 | 9.2 | 79.00 | -0.8 | 8 | | | | | | | | |
| GUARDIAN MTG-B | OC | 7.50 | '79 | 25.0 | 50.00 | 78.6 | VJ | | | | | | | | |
| GUARDIAN MTG-C# | OC | 6.75 | '86 | 8.6 | 30.00 | 76.5 | VJ | | | | | | | | |
| IDS REALTY-H | OC | ----- | --- | 127.8 | 66.00 | 0.0 | NC | | | | | | | | |
| INSTIITNL INV-B | NY | 7.88 | '80 | 20.0 | 89.88 | 3.3 | 8 | | | | | | | | |
| JUSTICE MTG-B | OC | 7.75 | '79 | 9.6 | 55.00 | 12.2 | VJ | | | | | | | | |

PH-PHILADELPHIA EXCHANGE

PS-PACIFIC EXCHANGE

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$1.62. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #--MAY BE USED AT PAR TO EXERCISE WARRANTS. F--TRADES FLAT, WITHOUT ACCRUED INTEREST.

| RELATIVE APPEAL | EXCH/ SYMBOL | SHARE (000) | BOOK VALUE | ANN DIV* | -EARNINGS-- MON | ANN* | PRICE | % CHANGE MON AGO | FROM- JAN 1 | P/E RATIO | ANN* YIELD | % PR TO BK | RETURN ON BK | MKT VA (MIL\$) |
|---|-----------------|----------------|---------------|-------------|--------------------|------|---------|---------------------|----------------|--------------|---------------|---------------|-----------------|-------------------|
| PROPERTY TRUSTS-OVER \$25M ASSETS | | | | | | | | | | | | | | |
| NR | AMER EQUITY IT# | 2497 | 6.64 | 0.76 | JUN | 1.34 | 8.25 | 6.5 | 43.5 | 6.2 | 9.2 | 24.2 | 20.2 | 20.6 |
| 5N | API TRUST | 1012 | 7.53 | 0.00 | DEC | 0.00 | 3.50 | 27.3 | -17.6 | 0.0 | 0.0 | -53.5 | 0.0 | 3.5 |
| NR | CMRWLTH RLTY # | 1180 | 6.24 | 0.80 | MAY | 0.77 | 10.50 | 5.0 | 16.7 | 13.6 | 7.6 | 68.3 | 12.3 | 12.4 |
| 4 | CONSOL CAP RLY# | 1989 | 17.99 | 2.04 | MAY | 1.68 | 27.00 X | -3.0 | 0.0 | 16.1 | 7.6 | 50.1 | 9.3 | 53.7 |
| 2 | CONT LLL PROP# | 4808 | 19.66 | 1.28 | JUL | 1.42 | 16.50 | 10.0 | 6.5 | 11.6 | 7.8 | -16.1 | 7.2 | 79.3 |
| 2 | DENVER REIA# | 1101 | 8.06 | 0.72 | MAR | 0.84 | 10.88 | 0.0 | 29.8 | 13.0 | 6.6 | 35.0 | 10.4 | 12.0 |
| 2 | FEDERAL REALTY | 1457 | 9.90 | 1.36 | JUN | 1.16 | 18.50 X | 8.4 | 13.8 | 15.9 | 7.4 | 86.9 | 11.7 | 27.0 |
| 3 | FIRST FIDELITY# | 866 | 9.90 | 0.40 | MAY | 0.00 | 11.75 | 8.0 | 108.7 | 0.0 | 3.4 | 18.7 | 0.0 | 10.2 |
| 2 | FIRST UNION # | 4263 | 8.43 | 1.08 | JUL | 0.95 | 12.00 | 2.1 | -6.8 | 12.6 | 9.0 | 42.3 | 11.3 | 51.2 |
| 2 | FLORIDA GULF# | 995 | 14.71 | 1.28 | APR | 1.32 | 14.00 | 7.7 | 0.0 | 10.6 | 9.1 | -4.8 | 9.0 | 13.9 |
| 1 | GENERAL GROWTH# | 6202 | 6.38 | 1.56 | JUN | 1.73 | 27.75 X | 2.3 | 15.0 | 16.0 | 5.6 | 335.0 | 27.1 | 172.1 |
| 2 | GOULD INVESTOR# | 1174 | 6.97 | 0.88 | JUN | 1.20 | 9.50 X | 8.0 | 35.7 | 7.9 | 9.3 | 36.3 | 17.2 | 11.2 |
| 2 | GREIT REALTY # | 998 | 11.27 | 0.40 | JUN | 0.88 | 6.25 | -3.8 | -2.0 | 7.1 | 6.4 | -44.5 | 7.8 | 6.2 |
| 2 | HUBBARD REI | 4004 | 22.75 | 1.44 | JUL | 1.72 | 17.75 X | 6.5 | 0.0 | 10.3 | 8.1 | -22.0 | 7.6 | 71.1 |
| 2 | NEW PLAN RLTY# | 1690 | 4.24 | 1.02 | APR | 1.06 | 11.00 X | 0.8 | -10.2 | 10.4 | 9.3 | 159.4 | 25.0 | 18.6 |
| 2 | PENN REIT # | 1516 | 12.92 | 1.25 | MAY | 2.00 | 15.50 | 1.6 | 8.8 | 7.8 | 8.1 | 20.0 | 15.5 | 23.5 |
| NR | PRUDENT REIT# | 3146 | 2.30 | 0.24 | MAY | 0.28 | 4.50 X | 25.6 | 71.1 | 16.1 | 5.3 | 95.7 | 12.2 | 14.2 |
| 3 | REIT OF AMERICA | 1633 | 21.60 | 1.20 | AUG | 1.12 | 16.00 | 8.5 | 10.3 | 14.3 | 7.5 | -25.9 | 5.2 | 26.1 |
| 2 | SAN FRAN RE # | 1376 | 19.91 | 1.20 | JUN | 1.32 | 16.63 | -0.7 | 9.9 | 12.6 | 7.2 | -16.5 | 6.6 | 22.9 |
| NR | UNIVERSITY REIT | 2133 | 7.76 | 0.72 | MAR | 0.36 | 9.50 X | 3.4 | -9.5 | 26.4 | 7.6 | 22.4 | 4.6 | 20.3 |
| 2 | WASH REIT # | 1518 | 11.48 | 1.80 | MAR | 1.52 | 23.50 X | -0.2 | -2.6 | 15.5 | 7.7 | 104.7 | 13.2 | 35.7 |
| GROUP AVERAGE | | 2169 | 11.27 | 1.02 | | 1.08 | 13.85 | 4.9 | 8.8 | 12.8 | 7.4 | 22.9 | 9.6 | 705.7 |
| PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS | | | | | | | | | | | | | | |
| NR | GENERAL RE # | 557 | 7.86 | 1.12 | JUN | 1.42 | 7.50 X | 4.4 | 25.0 | 5.3 | 14.9 | -4.6 | 18.1 | 4.2 |
| 3 | HOTEL INVESTOR# | 1558 | 17.30 | 1.90 | MAY | 2.00 | 19.88 | 4.6 | 16.9 | 9.9 | 9.6 | 14.9 | 11.6 | 31.0 |
| NR | PITTS & W VA RA | 1510 | 22.72 | 0.56 | JUN | 0.80 | 6.25 X | 0.2 | -20.7 | 7.8 | 9.0 | -72.5 | 3.5 | 9.4 |
| NR | RE INV PROPS # | 480 | 15.07 | 2.12 | JUN | 2.24 | 22.50 | 0.0 | 12.5 | 10.0 | 9.4 | 49.3 | 14.9 | 10.8 |
| NR | REIT OF CALIF | 550 | 8.99 | 1.20 | JUN | 1.36 | 15.00 | 0.0 | 20.0 | 11.0 | 8.0 | 66.9 | 15.1 | 8.3 |
| NR | TERRYDALE R# | 336 | 13.77 | 1.60 | MAR | 2.24 | 16.50 | 3.1 | 22.2 | 7.4 | 9.7 | 19.8 | 16.3 | 5.5 |
| NR | US EQUITY & MTG | 1257 | 3.08 | 0.60 | APR | 0.80 | 7.00 | 7.7 | 27.3 | 8.8 | 8.6 | 127.3 | 26.0 | 8.8 |
| GROUP AVERAGE | | 893 | 12.68 | 1.30 | | 1.55 | 13.52 | 3.9 | 14.9 | 8.7 | 9.6 | 6.6 | 12.2 | 78.0 |
| PROPERTY TRUSTS-SUBOR LAND LEASEBACK | | | | | | | | | | | | | | |
| 2 | ICM REALTY | 3011 | 14.89 | 0.24 | AUG | 0.96 | 9.25 | 2.8 | 32.1 | 9.6 | 2.6 | -37.9 | 6.4 | 27.9 |
| 2 | JMB REALTY | 510 | 19.53 | 1.80 | MAY | 2.69 | 16.75 | 1.5 | 1.5 | 6.2 | 10.7 | -14.2 | 13.8 | 8.5 |
| 3 | PROPERTY CAPITL | 2065 | 13.68 | 1.20 | JUL | 1.20 | 11.13 X | 2.7 | -7.3 | 9.3 | 10.8 | -18.6 | 8.8 | 23.0 |
| GROUP AVERAGE | | 1862 | 16.03 | 1.08 | | 1.62 | 12.38 | 4.1 | 4.6 | 7.7 | 8.7 | -22.8 | 10.1 | 59.4 |
| PROPERTY & MTG COMBINATION | | | | | | | | | | | | | | |
| 2 | BANKAMER RLTY | 3547 | 16.74 | 1.00 | JUL | 1.48 | 14.25 X | 13.7 | 35.7 | 9.6 | 7.0 | -14.9 | 8.8 | 50.5 |
| 3N | BRT REALTY | 1400 | 3.01 | 0.00 | MAY | 0.26 | 2.25 | 38.0 | 226.1 | 8.7 | 0.0 | -25.2 | 8.6 | 3.2 |
| 1 | CONN GEN M&R# | 5719 | 18.96 | 1.60 | JUN | 1.90 | 19.75 | 2.6 | -6.0 | 10.4 | 8.1 | 4.2 | 10.0 | 113.0 |
| 2 | FLATLEY RLTY # | 1000 | 6.92 | 0.20 | JUN | 0.08 | 4.50 X | 34.3 | 38.5 | 56.3 | 4.4 | -35.0 | 1.2 | 4.5 |
| 2N | INDIANA M&R # | 1154 | 8.78 | 0.00 | JUN | 0.37 | 5.13 | 2.6 | 46.6 | 13.9 | 0.0 | -41.6 | 4.2 | 5.9 |
| 2 | INVESTORS RL# | 1579 | 10.92 | 0.60 | MAY | 1.27 | 8.63 X | -3.8 | 15.1 | 6.8 | 7.0 | -21.0 | 11.6 | 13.6 |
| 2 | MILLER HENRY S | 560 | 16.95 | 1.00 | MAY | 1.20 | 13.50 | 0.0 | 35.0 | 11.3 | 7.4 | -20.4 | 7.1 | 7.6 |
| 1 | MORTGAGE GROWTH | 2627 | 10.64 | 0.64 | AUG | 0.52 | 8.00 | 10.3 | 39.1 | 15.4 | 8.0 | -24.8 | 4.9 | 21.0 |
| 2 | PROP TR AMER# | 2338 | 7.37 | 0.28 | JUN | 0.24 | 5.00 | 5.3 | -2.5 | 20.8 | 5.6 | -32.2 | 3.3 | 11.7 |
| 3 | REALTY INCOME | 1566 | 9.43 | 1.40 | JUL | 0.00 | 12.63 X | 4.8 | -1.9 | 0.0 | 11.1 | 33.9 | 0.0 | 19.8 |
| 3 | RIVIERE RLTY # | 783 | 8.57 | 0.56 | JUN | 0.96 | 6.00 | -6.0 | 9.1 | 6.3 | 9.3 | -30.0 | 11.2 | 4.7 |
| 3N | SAUL (BF) REIT | 5859 | 5.08 | 0.00 | JUN | 0.00 | 7.13 | 14.1 | 67.8 | 0.0 | 0.0 | 40.4 | 0.0 | 41.8 |
| 2 | US BANCORP # | 840 | 17.00 | 0.70 | MAY | 1.77 | 13.25 | 0.9 | 32.5 | 7.5 | 5.3 | -22.1 | 10.4 | 11.1 |
| 2 | VIRGINIA REI# | 1251 | 10.08 | 0.60 | JUN | 0.00 | 11.75 | -2.1 | 51.6 | 0.0 | 5.1 | 16.6 | 0.0 | 14.7 |
| 3 | WELLS FARGO M&E | 3917 | 17.48 | 1.20 | JUN | 1.12 | 14.13 | 3.7 | 6.6 | 12.6 | 8.5 | -19.2 | 6.4 | 55.3 |
| GROUP AVERAGE | | 2276 | 11.20 | 0.65 | | 0.74 | 9.73 | 5.7 | 20.6 | 13.1 | 6.7 | -13.1 | 6.7 | 378.4 |
| SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR | | | | | | | | | | | | | | |
| 3 | BAIRD & WARNER | 1043 | 16.09 | 0.14 | APR | 0.00 | 9.25 | 27.6 | 54.2 | 0.0 | 1.5 | -42.5 | 0.0 | 9.6 |
| 2N | CENTRAL MTG | 775 | 12.28 | 0.00 | JUN | 0.38 | 6.75 | -1.9 | 74.0 | 17.8 | 0.0 | -45.0 | 3.1 | 5.2 |
| 2 | FIRST CONTNL | 2106 | 10.31 | 1.00 | AUG | 1.04 | 8.75 | 2.9 | 2.9 | 8.4 | 11.4 | -15.1 | 10.1 | 18.4 |
| 2 | FRASER MTG | 1038 | 16.40 | 1.12 | MAY | 0.71 | 11.50 | 0.0 | 2.2 | 16.2 | 9.7 | -29.9 | 4.3 | 11.9 |
| 2N | HANOVER SQ RLTY | 946 | 11.25 | 0.00 | MAY | 0.12 | 7.38 | 9.3 | 40.6 | 61.5 | 0.0 | -34.4 | 1.1 | 7.0 |
| 1 | LOMAS & NETLTLN | 3700 | 27.88 | 1.80 | JUN | 1.80 | 19.00 | 1.3 | -4.4 | 10.6 | 9.5 | -31.9 | 6.5 | 70.3 |
| 2 | M&T MORTGAGE | 1482 | 10.27 | 1.04 | MAY | 1.12 | 10.63 | 4.9 | 6.3 | 9.5 | 9.8 | 3.5 | 10.9 | 15.8 |
| 2N | MTG TRUST AMER | 3860 | 12.82 | 0.00 | MAY | 0.66 | 7.50 | -3.2 | 25.0 | 11.4 | 0.0 | -41.5 | 5.1 | 29.0 |
| 2 | NATIONWIDE RE | 1047 | 24.36 | 0.44 | JUN | 0.56 | 14.38 | -0.8 | 79.8 | 25.7 | 3.1 | -41.0 | 2.3 | 15.1 |
| 2 | SUTRO MTG INV | 2322 | 15.43 | 0.90 | JUN | 0.63 | 11.38 | 16.7 | 21.3 | 18.1 | 7.9 | -26.2 | 4.1 | 26.4 |
| 2N | WESTERN MTG | 1003 | 7.77 | 0.00 | MAY | 0.08 | 4.00 | 3.1 | 23.1 | 50.0 | 0.0 | -48.5 | 1.0 | 4.0 |
| GROUP AVERAGE | | 1757 | 14.99 | 0.59 | | 0.65 | 10.05 | 6.2 | 20.9 | 15.6 | 5.8 | -33.0 | 4.3 | 212.7 |
| LONG-TERM MTGS & PROPERTIES | | | | | | | | | | | | | | |
| 3N | BT MTG INVSTRS | 2116 | -2.94 | 0.00 | JUN | 0.00 | 2.75 | 15.5 | 22.2 | 0.0 | 0.0 | -0.0 | -0.0 | 5.8 |
| NR | DEL-VAL FIN CP* | 905 | 9.37 | 1.38 | MAR | 1.24 | 12.00 X | -1.1 | -11.1 | 9.7 | 11.5 | 28.1 | 13.2 | 10.9 |
| 3 | EQUIT LF MTG | 5663 | 23.43 | 2.00 | JUL | 2.16 | 20.63 | -1.8 | -21.0 | 9.6 | 9.7 | -12.0 | 9.2 | 116.8 |
| 1 | HOSPITAL MTG | 1178 | 22.62 | 0.60 | AUG | 0.28 | 12.75 | 21.4 | 39.6 | 45.5 | 4.7 | -43.6 | 1.2 | 15.0 |
| 1 | MASSMUTUAL MTG | 4670 | 19.63 | 1.36 | JUL | 1.33 | 14.75 X | 3.1 | -4.1 | 11.1 | 9.2 | -24.9 | 6.8 | 68.9 |
| 3 | MONY MTG INV | 8935 | 9.87 | 0.92 | AUG | 0.68 | 9.75 | 0.0 | -2.5 | 14.3 | 9.4 | -1.2 | 6.9 | 87.1 |
| 1 | NOWSTRN MUT MT | 4758 | 18.97 | 1.00 | JUN | 0.97 | 12.38 | 5.4 | 1.1 | 12.8 | 8.1 | -34.7 | 5.1 | 58.9 |
| 1 | PACIFIC SO MTG | 800 | 11.92 | 0.60 | JUN | 0.60 | 8.50 | 6.3 | 25.9 | 14.2 | 7.1 | -28.7 | 5.0 | 6.8 |
| 1 | PNB MTG& RL# | 2437 | 18.77 | 0.80 | JUN | 1.08 | 11.25 | 2.3 | 4.7 | 10.4 | 7.1 | -40.1 | 5.8 | 27.4 |
| 3 | REALTY REFUND | 1377 | 18.01 | 1.88 | JUL | 1.88 | 17.25 X | 1.3 | -17.9 | 9.2 | 10.9 | -4.2 | 10.4 | 23.8 |
| 2 | RLTY & MTG PAC | 1890 | 18.04 | 1.28 | AUG | 1.16 | 12.88 | 2.0 | 4.0 | 11.1 | 9.9 | -28.6 | 6.4 | 24.3 |
| 3N | SECURITY MTG | 6487 | 5.88 | 0.00 | JUN | 0.00 | 3.88 | 24.0 | 29.3 | 0.0 | 0.0 | -34.0 | 0.0 | 25.2 |
| 1 | UNITED REALTY | 3610 | 17.60 | 0.80 | MAY | 0.74 | 10.38 | 6.5 | 5.1 | 14.0 | 7.7 | -41.0 | 4.2 | 37.5 |
| GROUP AVERAGE | | 3448 | 14.71 | 0.97 | | 0.93 | 11.47 | 5.4 | -2.1 | 12.3 | 8.5 | -22.0 | 6.3 | 508.4 |

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. P-PHILADELPHIA EXCHANGE. WESTERN MTG. ALSO TRADES ON BOSTON EXCHANGE. US EQUITY & ICM REALTY DIVIDENDS TRAILING 12 MONTHS. NR-NOT RANKED.

| RELATIVE APPEAL | EXCH/ SYMBOL | SHARE (000) | BOOK VALUE | ANN DIV* | -EARNINGS-- MON | ANN* | LAST PRICE | % CHANGE MON AGO | FROM- JAN 1 | P/E RATIO | ANN* YIELD | % PR TO BK | RETURN ON BK | MKT VA (MIL\$) | |
|---|-------------------|----------------|---------------|-------------|--------------------|------|---------------|---------------------|----------------|--------------|---------------|---------------|-----------------|-------------------|-------|
| MTG & FORECLOSED PROPERTY-MISC SPONSOR | | | | | | | | | | | | | | | |
| 3N | AMER CENTURY MI | N-ACT | 2607 | 5.35 | 0.00 | JUN | 0.17 | 4.13 | 13.8 | 31.9 | 24.3 | 0.0 | -22.8 | 3.2 | 10.8 |
| 3N | Y COLWELL MTG | O-CLM | 2030 | 4.24 | 0.00 | JUN | 6.12 | 2.63 | 2.7 | 228.8 | 0.4 | 0.0 | -38.0 | 144.3 | 5.3 |
| 3N | CONT ILL RLTY | N-CIR | 2797 | 1.64 | 0.00 | JUN | 0.00 | 4.75 | 64.9 | 46.2 | 0.0 | 0.0 | 189.6 | 0.0 | 13.3 |
| 3N | HEITMAN MTG | A-HTM | 3292 | 2.28 | 0.00 | JUN | 0.00 | 2.25 | 19.7 | 50.0 | 0.0 | 0.0 | -1.3 | 0.0 | 7.4 |
| 2N | MIDLAND MTG | N-MMT | 2382 | 0.18 | 0.00 | JUN | 0.18 | 2.63 | 5.2 | 110.4 | 14.6 | 0.0 | 1361.1 | 100.0 | 6.3 |
| 2N | MISSION INV TR | A-MIT | 1812 | 4.88 | 0.00 | MAY | 0.05 | 4.25 | 6.3 | 142.9 | 85.0 | 0.0 | -12.9 | 1.0 | 7.7 |
| 2N | NORTH AMER MTG | N-NAM | 4401 | 8.45 | 0.00 | JUN | 0.00 | 4.38 | 12.9 | 16.8 | 0.0 | 0.0 | -48.2 | 0.0 | 19.3 |
| 2N | WACHOVIA RLTY | N-WRI | 3335 | 9.92 | 0.00 | MAY | 0.00 | 6.00 | 11.5 | 33.3 | 0.0 | 0.0 | -39.5 | 0.0 | 20.0 |
| GROUP AVERAGE | | | 2832 | 4.62 | 0.00 | | 0.82 | 3.88 | 16.1 | 55.6 | 4.8 | 0.0 | -16.0 | 17.7 | 90.1 |
| PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT) | | | | | | | | | | | | | | | |
| 4N | AMER REALTY | O-ARB | 2222 | 3.37 | 0.00 | JUN | 0.12 | 3.00 | 20.0 | 158.6 | 25.0 | 0.0 | -11.0 | 3.6 | 6.7 |
| 2N | BAY COLONY PROP | N-BAY | 3315 | 6.09 | 0.00 | MAY | 0.00 | 4.88 | 18.2 | 77.5 | 0.0 | 0.0 | -19.9 | 0.0 | 16.2 |
| 2N | C I REALTY # | N-CIX | 2609 | 16.67 | 0.00 | MAY | 0.32 | 13.00 | 0.0 | 22.3 | 40.6 | 0.0 | -22.0 | 1.9 | 33.9 |
| 3N | CITIZENS GROWTH | O-CITGS | 811 | 6.82 | 0.00 | APR | 0.00 | 5.00 | 25.0 | 185.7 | 0.0 | 0.0 | -26.7 | 0.0 | 4.1 |
| 3N | FRANKLIN RLTY | A-FR | 999 | 7.82 | 0.00 | JUN | 0.32 | 5.63 | 12.6 | 9.7 | 17.6 | 0.0 | -28.0 | 4.1 | 5.6 |
| 2N | SUMMIT PROP # | O-SMSTS | 1543 | 6.89 | 0.00 | APR | 0.03 | 4.75 | 5.6 | 18.8 | 158.3 | 0.0 | -31.1 | 0.4 | 7.3 |
| 2N | US REALTY # | N-UTY | 3434 | 3.98 | 0.00 | JUN | 0.32 | 6.63 | 23.2 | 35.9 | 20.7 | 0.0 | 66.6 | 8.0 | 22.8 |
| 3N | WALTER RLTY # | O-WALJS | 1035 | 6.80 | 0.00 | APR | 0.00 | 5.75 | 43.8 | 9.5 | 0.0 | 0.0 | -15.4 | 0.0 | 6.0 |
| 2N | WISCONSIN REIT | O-WREIS | 1514 | 4.85 | 0.00 | JUN | 0.03 | 2.63 | -4.4 | -32.2 | 87.7 | 0.0 | -45.8 | 0.6 | 4.0 |
| GROUP AVERAGE | | | 1942 | 7.03 | 0.00 | | 0.13 | 5.70 | 13.3 | 30.0 | 45.0 | 0.0 | -19.0 | 1.8 | 106.6 |
| MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT | | | | | | | | | | | | | | | |
| 2N | ALAMAND CORP | O-ALAM | 1355 | 0.59 | 0.00 | APR | 0.22 | 3.00 | -11.2 | 84.0 | 13.6 | 0.0 | 408.5 | 37.3 | 4.1 |
| 5N | BARNETT-WINSTON | O-BWITS | 1663 | -0.32 | 0.00 | JUN | 0.86 | 3.38 | 107.4 | 284.1 | 3.9 | 0.0 | -0.0 | -0.0 | 5.6 |
| 5N | BUILDERS INV | O-BULDS | 2929 | 0.23 | 0.00 | JUN | 0.00 | 2.13 | -10.5 | 88.5 | 0.0 | 0.0 | 826.1 | 0.0 | 6.2 |
| 3N | CAPITAL MTG | P-CMU | 1675 | -1.26 | 0.00 | JUN | 0.00 | 1.63 | 18.1 | 101.2 | 0.0 | 0.0 | -0.0 | -0.0 | 2.7 |
| 4N | VJCONTINENTAL MTG | O-CMI | 20838 | -3.73 | 0.00 | MAY | 0.07 | 0.33 | 13.8 | 32.0 | 4.7 | 0.0 | -0.0 | -0.0 | 6.9 |
| 4N | COUSINS M&E | N-CUZ | 3854 | 0.99 | 0.00 | MAY | 0.00 | 4.13 | 22.2 | 175.3 | 0.0 | 0.0 | 317.2 | 0.0 | 15.9 |
| 2N | DIVERSIFIED MTG | N-DMG | 7327 | 8.46 | 0.00 | JUN | 0.00 | 5.13 | 51.8 | 95.1 | 0.0 | 0.0 | -39.4 | 0.0 | 37.6 |
| 4N | VJDOMINION M&R | O-DMRTS | 639 | -10.86 | 0.00 | MAY | 0.24 | 0.50 | 0.0 | 100.0 | 2.1 | 0.0 | -0.0 | -0.0 | 0.3 |
| 2N | EASTOVER CORP | O-EASTS | 1008 | 11.41 | 0.00 | JUN | 0.46 | 9.50 | 11.8 | 81.0 | 20.7 | 0.0 | -16.7 | 4.0 | 9.6 |
| 5N | FIRST MORTGAGE | O-FMTGS | 8495 | -6.00 | 0.00 | APR | 0.02 | 1.19 | 35.2 | 112.5 | 59.5 | 0.0 | -0.0 | -0.0 | 10.1 |
| 4N | FIRST NEWPORT R | O-FNRIS | 2339 | 3.30 | 0.00 | JUL | 0.14 | 2.00 | 44.9 | 38.9 | 14.3 | 0.0 | -39.4 | 4.2 | 4.7 |
| 3N | FIRST VIR REIT | O-FVM | 1208 | 6.02 | 0.00 | MAR | 0.22 | 3.50 | 69.9 | 133.3 | 15.9 | 0.0 | -41.9 | 3.7 | 4.2 |
| 5N | VJGREAT AMER M&I | O-GAA | 4456 | -12.99 | 0.00 | APR | 0.09 | 0.88 | 57.1 | 252.0 | 9.8 | 0.0 | -0.0 | -0.0 | 3.9 |
| 3N | GROWTH RLTY | N-GRW | 2059 | 8.03 | 0.00 | JUN | 1.15 | 5.88 | 27.0 | 68.0 | 5.1 | 0.0 | -26.8 | 14.3 | 12.1 |
| 5N | VJGUARDIAN MTG | P-GMI | 3000 | -14.41 | 0.00 | MAY | 0.27 | 1.25 | 98.4 | 98.4 | 4.6 | 0.0 | -0.0 | -0.0 | 3.8 |
| 2N | HAMILTON INV | O-HAMTS | 2143 | 5.01 | 0.00 | JUN | 0.00 | 3.13 | 25.2 | 66.5 | 0.0 | 0.0 | -37.5 | 0.0 | 6.7 |
| 2N | INSTITUTNAL | N-INV | 6074 | 2.98 | 0.00 | JUL | 0.33 | 2.50 | 25.0 | 5.0 | 7.6 | 0.0 | -16.1 | 11.1 | 15.2 |
| 2N | KENTUCKY PROPTY | O-KMTGS | 1100 | 2.67 | 0.00 | MAY | 1.05 | 2.25 | -14.4 | 125.0 | 2.1 | 0.0 | -15.7 | 39.3 | 2.5 |
| 5N | Y LIFETIME COM | O-LFTMS | 6598 | 2.51 | 0.00 | APR | 0.09 | 2.00 | 100.0 | 344.4 | 22.2 | 0.0 | -20.3 | 3.6 | 13.2 |
| 2N | LINCOLN MTG | O-LNMGS | 1155 | 0.88 | 0.00 | JUN | 0.18 | 3.00 | 0.0 | 117.4 | 16.7 | 0.0 | 240.9 | 20.5 | 3.5 |
| 5N | VJMETROPLEX RLTY | O-JMI | 1184 | -0.28 | 0.00 | MAR | 0.00 | 1.25 | 25.0 | 123.2 | 0.0 | 0.0 | -0.0 | -0.0 | 1.5 |
| 3N | MTG INV WASH | O-MINVS | 2146 | 4.33 | 0.00 | JUN | 0.25 | 3.25 | -13.3 | 30.0 | 13.0 | 0.0 | -24.9 | 5.8 | 7.0 |
| 5N | YNATIONAL MTG | O-NMF | 3707 | 2.00 | 0.00 | MAY | 0.04 | 1.13 | -5.0 | 101.8 | 28.3 | 0.0 | -43.5 | 2.0 | 4.2 |
| 5N | Z NJB PRIME INV | O-NJB | 1330 | -6.60 | 0.00 | MAY | 0.00 | 1.75 | 75.0 | 464.5 | 0.0 | 0.0 | -0.0 | -0.0 | 2.3 |
| 5N | PLAZA REALTY | O-PRISS | 1114 | 0.68 | 0.00 | MAR | 0.00 | 1.63 | 18.1 | 73.4 | 0.0 | 0.0 | 139.7 | 0.0 | 1.8 |
| 3N | REPUBLIC MTG | N-RMI | 2107 | 4.00 | 0.00 | JUN | 0.00 | 2.63 | 5.2 | 16.9 | 0.0 | 0.0 | -34.3 | 0.0 | 5.5 |
| 1N | TEXAS FIRST MTG | O-TFMRS | 1055 | 7.95 | 0.00 | MAR | 0.01 | 4.25 | 17.1 | 61.6 | 425.0 | 0.0 | -46.5 | 0.1 | 4.5 |
| 2N | TIERCO | O-TIERS | 1170 | 6.49 | 0.00 | JUN | 0.57 | 3.13 | 31.5 | 108.7 | 5.5 | 0.0 | -51.8 | 8.8 | 3.7 |
| 4N | TRECO | O-TRECS | 2174 | 1.33 | 0.00 | JUN | 0.00 | 1.50 | -29.6 | 200.0 | 0.0 | 0.0 | 12.8 | 0.0 | 3.3 |
| 4N | UMET TRUST | N-UAT | 2109 | -2.75 | 0.00 | MAY | 0.00 | 2.38 | 19.0 | -20.7 | 0.0 | 0.0 | -0.0 | -0.0 | 5.0 |
| 2N | WESTPORT CO | O-WSPTS | 2388 | 4.24 | 0.00 | APR | 0.00 | 3.38 | -8.4 | 50.2 | 0.0 | 0.0 | -20.3 | 0.0 | 8.1 |
| GROUP AVERAGE | | | 3239 | 0.80 | 0.00 | | 0.20 | 2.70 | 18.2 | 80.5 | 13.4 | 0.0 | 235.7 | 25.1 | 215.7 |
| MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR | | | | | | | | | | | | | | | |
| 5N | AMER FLETCHER M | O-AFM | 1352 | -0.11 | 0.00 | APR | 0.67 | 3.00 | 33.3 | 240.9 | 4.5 | 0.0 | -0.0 | -0.0 | 4.1 |
| 2N | CAMERON-BROWN | N-CB | 2016 | 7.05 | 0.00 | JUN | 0.00 | 4.00 | 0.0 | 52.1 | 0.0 | 0.0 | -43.3 | 0.0 | 8.1 |
| 5N | Z CHASE MAN MTG | O-CMR | 4886 | -4.73 | 0.00 | MAY | 0.00 | 1.13 | -4.2 | -39.9 | 0.0 | 0.0 | -0.0 | -0.0 | 5.5 |
| 3N | CITINATL DEV | O-CIT16 | 600 | 13.33 | 0.00 | JUN | 0.29 | 7.13 | 9.7 | 14.1 | 24.6 | 0.0 | -46.5 | 2.2 | 4.3 |
| 5N | Z CITIZENS MTG | O-CZM | 1421 | -17.02 | 0.00 | JUN | 0.00 | 0.75 | 19.0 | 158.6 | 0.0 | 0.0 | -0.0 | -0.0 | 1.1 |
| 4N | CITZNS&SO RLTY | O-CZS | 3829 | -3.19 | 0.00 | MAR | 0.00 | 1.75 | 54.9 | 177.8 | 0.0 | 0.0 | -0.0 | -0.0 | 6.7 |
| 2N | CLEVETRUST RLTY | O-CTRIS | 2525 | 10.38 | 0.00 | JUN | 0.00 | 5.63 | 9.7 | 50.1 | 0.0 | 0.0 | -45.8 | 0.0 | 14.2 |
| 4N | FIDELCO GROWTH | A-FGI | 1580 | 3.73 | 0.00 | MAY | 0.19 | 4.38 | 46.0 | 94.7 | 23.1 | 0.0 | 17.4 | 5.1 | 6.9 |
| 2N | FIRST DENVER MI | O-FDENS | 1621 | 6.27 | 0.00 | JUN | 0.00 | 4.00 | 77.8 | 77.8 | 0.0 | 0.0 | -36.2 | 0.0 | 6.5 |
| 2N | FIRST MEMPHIS | O-FMEMS | 1156 | 4.59 | 0.00 | MAY | 0.18 | 3.13 | 8.7 | 108.7 | 17.4 | 0.0 | -31.8 | 3.9 | 3.6 |
| 3N | FIRST PENN MTG | N-FPM | 2961 | 1.33 | 0.00 | APR | 0.00 | 2.63 | 23.5 | 50.3 | 0.0 | 0.0 | 97.7 | 0.0 | 7.8 |
| 3N | FIRST WISCONSIN | O-FWMTS | 1987 | 5.58 | 0.00 | JUN | 0.00 | 4.50 | 20.0 | 125.0 | 0.0 | 0.0 | -19.4 | 0.0 | 8.9 |
| 5N | INDEPENDENCE MT | O-INTGS | 2500 | -4.03 | 0.00 | MAR | 0.00 | 2.25 | 56.3 | 240.9 | 0.0 | 0.0 | -0.0 | -0.0 | 5.6 |
| 2N | MARYLAND REALTY | O-MDRTS | 760 | 8.43 | 0.00 | MAY | 0.17 | 4.13 | 10.1 | 18.0 | 24.3 | 0.0 | -51.0 | 2.0 | 3.1 |
| 2N | NW FINANCIAL INC | O-NFINS | 1510 | 14.29 | 0.00 | JUN | 0.16 | 11.75 | 25.3 | 59.2 | 73.4 | 0.0 | -17.8 | 1.1 | 17.7 |
| 3N | TRI-SOUTH MTG | N-TSI | 2260 | 1.85 | 0.00 | JUN | 0.00 | 3.38 | 28.5 | 125.3 | 0.0 | 0.0 | 82.7 | 0.0 | 7.6 |
| GROUP AVERAGE | | | 2060 | 2.98 | 0.00 | | 0.10 | 3.97 | 22.1 | 62.5 | 38.3 | 0.0 | 33.1 | 3.5 | 111.7 |
| MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS | | | | | | | | | | | | | | | |
| 2N | ATLANTA NATL | O-ATNAS | 1273 | 9.00 | 0.00 | MAY | 0.53 | 5.63 | 7.2 | 66.6 | 10.6 | 0.0 | -37.4 | 5.9 | 7.2 |
| 3N | BARNES MTG INV | O-BARNS | 1910 | 11.10 | 0.00 | JUN | 0.00 | 4.00 | 18.3 | 45.5 | 0.0 | 0.0 | -64.0 | 0.0 | 7.6 |
| 4N | CI MTG GROUP | P-CI | 4812 | -3.32 | 0.00 | JUL | 0.00 | 2.13 | 21.7 | 208.7 | 0.0 | 0.0 | -0.0 | -0.0 | 10.2 |
| 2N | GMR PROP | N-GMR | 2210 | 3.73 | 0.00 | MAY | 0.00 | 3.13 | 31.5 | 46.9 | 0.0 | 0.0 | -16.1 | 0.0 | 6.9 |
| 4N | IDS REALTY | O-IDR | 2409 | -10.31 | 0.00 | APR | 0.54 | 2.63 | 0.0 | 56.5 | 4.9 | 0.0 | -0.0 | -0.0 | 6.3 |
| 3N | SOUTH ATLANTIC | N-SAT | 2706 | 2.93 | 0.00 | JUL | 0.09 | 4.25 | 21.4 | 61.6 | 47.2 | 0.0 | 45.1 | 3.1 | 11.5 |
| 3N | STATE MUTUAL | N-SMU | 2786 | 7.89 | 0.00 | JUN | 0.15 | 5.13 | 8.0 | 41.3 | 34.2 | 0.0 | -35.0 | 1.9 | 14.3 |
| GROUP AVERAGE | | | 2587 | 3.00 | 0.00 | | 0.17 | 3.84 | 13.8 | 59.3 | 22.0 | 0.0 | 28.0 | 5.8 | 64.0 |

VJ-IN BANKRUPTCY REORGANIZATION. Y-CH. XI REORGANIZATION COMPLETED. Z-CH. XI PROPOSED OR POSSIBLE. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. CONTINENTAL MTG. EARNINGS FOR 2 MONTHS ENDED MAY 31, 1978 BEFORE RESULT OF INCLUDING OPERATIONS OF SUBSIDIARIES. TMC INDUSTRIES OMITTED DUE TO CHANGE IN BUSINESS.

CONVERTIBLE DEBENTURES

| DEBENTURE | EX | MAT | INT (%) | CONV AT | RECENT PRICE | YIELD (%) | % CHNG | CONV PARITY | STOCK PRICE |
|--------------|----|------|---------|---------|--------------|-----------|--------|-------------|-------------|
| AMER CENTURY | AS | '90 | 7.00 | 21.00 | 68.00 | 10.3 | 0.7 | 14.28 | 4.13 |
| AMER CENTY'B | NY | '91 | 6.75 | 28.00 | 65.00 | 10.4 | 3.2 | 18.20 | 4.13 |
| AMER REALTY | OC | '84F | 7.00 | 10.40 | 58.00 | DEF | 7.4 | 6.03 | 3.00 |
| BAIRD&WARNER | OC | '91 | 6.75 | 21.00 | 67.00 | 10.1 | 0.0 | 14.07 | 9.25 |
| BANKAMERICA | OC | '90 | 6.75 | 21.00 | 82.00 | 8.2 | 0.0 | 17.22 | 14.25 |
| BENEF STD MI | OC | '91F | 6.50 | 27.75 | 57.00 | 11.4 | 3.6 | 15.81 | 3.00 |
| CAPITAL MTG | OC | '91F | 6.50 | 33.00 | 57.00 | 11.4 | 7.5 | 18.81 | 1.63 |
| CHASE MANHTN | OC | '96F | 6.50 | 55.00 | 32.00 | DEF | 0.0 | 17.60 | 1.13 |
| CHASE MANHTN | OC | '97 | 11.63 | 2.25 | 54.00 | 21.5 | 14.9 | 1.21 | 1.13 |
| CONN GENERAL | NY | '96 | 6.00 | 32.50 | 72.88 | 8.2 | -1.4 | 23.68 | 19.75 |
| CONTNLT MTG | OC | '90 | 6.25 | 19.79 | 26.50 | VJ | 6.0 | 5.24 | 0.33 |
| EQUITBL LF M | NY | '90 | 6.75 | 26.25 | 83.50 | 8.1 | 1.2 | 21.91 | 20.63 |
| FIRST NEWPT | OC | '91F | 6.75 | 27.50 | 48.00 | 14.1 | 2.1 | 13.20 | 2.00 |
| FIRST PENN M | OC | '91F | 6.75 | 26.00 | 55.00 | 12.3 | 1.9 | 14.30 | 2.63 |
| FIRST UNION | NY | '91 | 7.00 | 13.00 | 90.00 | 7.8 | 0.6 | 11.70 | 12.00 |
| FRANKLIN RLY | AS | '89 | 7.00 | 10.00 | 78.50 | 8.9 | 3.8 | 7.85 | 5.63 |
| GRT AMER MI | OC | '91 | 7.00 | 35.50 | 16.00 | VJ | 14.3 | 5.67 | 0.88 |
| HANOVER SQ R | AS | '92 | 7.25 | 21.00 | 80.00 | 9.1 | 1.3 | 16.80 | 7.38 |
| HEITMAN MTG | AS | '92 | 7.50 | 14.70 | 64.50 | 11.6 | 1.6 | 9.48 | 2.25 |
| HOTEL INVSTR | OC | '90 | 7.75 | 21.00 | 89.00 | 8.7 | 1.1 | 18.69 | 19.88 |
| HOTEL INVTRS | OC | '91 | 7.50 | 25.25 | 84.00 | 8.9 | 1.2 | 21.21 | 19.88 |
| LINCOLN MTG | OC | '90 | 8.00 | 11.00 | 66.00 | 12.1 | 3.1 | 7.26 | 3.00 |
| MASSMUTL MTG | NY | '90 | 6.75 | 21.00 | 83.50 | 8.1 | 4.0 | 17.53 | 14.75 |
| MASSMUTUAL M | NY | '91 | 6.25 | 33.50 | 78.00 | 8.0 | 2.6 | 26.13 | 14.75 |
| MIDLAND MTG | OC | '86 | 7.00 | 16.67 | 53.00 | 13.2 | -7.7 | 8.83 | 2.63 |
| MONY MTG IN | NY | '90 | 7.00 | 11.00 | 89.00 | 7.9 | 1.7 | 9.79 | 9.75 |
| MTG INV WASH | OC | '90 | 8.00 | 15.00 | 62.00 | 12.9 | 0.0 | 9.30 | 3.25 |
| NJB PRIME | OC | '91F | 6.75 | 21.00 | 47.00 | DEF | 30.6 | 9.87 | 1.75 |
| NOWSTRN MUTL | NY | '91 | 6.00 | 21.00 | 75.00 | 8.0 | 0.0 | 15.52 | 12.38 |
| RAM PACIFIC | OC | '91 | 6.75 | 21.00 | 74.00 | 9.1 | 0.0 | 15.54 | 12.88 |
| REALTY INCOM | AS | '91 | 8.00 | 18.00 | 82.00 | 9.8 | -1.1 | 14.76 | 12.63 |
| REPUBLIC MI | NY | '90 | 9.00 | 19.00 | 93.13 | 9.7 | 1.1 | 17.69 | 2.63 |
| SAUL (BF) RL | OC | '91 | 6.50 | 23.00 | 66.50 | 9.8 | 2.3 | 15.29 | 7.13 |
| SAUL(BF) REI | OC | '90 | 8.00 | 15.50 | 76.50 | 10.5 | -1.8 | 11.85 | 7.13 |
| STATE MUTUAL | AS | '91 | 6.75 | 21.00 | 68.00 | 9.9 | -4.1 | 14.28 | 5.13 |
| SUTRO MIT | NY | '82 | 6.75 | 20.00 | 85.25 | 7.9 | -0.2 | 17.05 | 9.75 |
| SUTRO MTG | AS | '91 | 6.75 | 20.00 | 77.13 | 8.8 | 7.1 | 15.42 | 11.38 |
| TRI-SO / SR | PH | '88 | 10.00 | 2.50 | 125.00 | 8.0 | 13.6 | 3.12 | 3.38 |
| TRI-SOUTH MI | NY | '92F | 7.00 | 29.50 | 73.00 | DEF | 12.3 | 21.53 | 3.38 |
| US BANCORP | AS | '92 | 7.00 | 26.25 | 75.25 | 9.3 | 0.3 | 19.75 | 13.25 |
| US REALTY IN | NY | '89 | 5.75 | 20.20 | 66.25 | 8.7 | 1.9 | 13.38 | 6.63 |
| WESTPORT CO | OC | '91F | 6.75 | 21.00 | 62.00 | 10.9 | 6.9 | 13.02 | 3.38 |

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ-IN BANKRUPTCY REORGANIZATION. F-TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF-IN DEFAULT. PH-Philadelphia Exchange PS-Pacific Exchange

WARRANTS

| NAME | EXCH/ SYMBOL | EXP DATE | OUT (000) | EXER PRICE | NO. SH. | WTS PRICE | STK PRICE | CONV PREM | % CHG | MKT VA (MIL\$) |
|--------------|--------------|----------|-----------|------------|---------|-----------|-----------|-----------|-------|----------------|
| BARNES MTG | O-BARNW | 12/82 | 1910 | 20.00 | 1.0 | 0.13 | 4.00 | 403.3 | 160.0 | 0.2 |
| CAPITAL MTG | O-CIORW | 11/79 | 471 | 16.59 | 1.0 | 0.01 | 1.63 | 918.4 | -66.6 | 0.0 |
| CITZNS&SO-B | O-CZ55 | 4/83 | 258 | 2.00 | 50.0 | #.# | 1.75 | 25.7 | 66.7 | 2.6 |
| FLATLEY RLTY | O-FLTLW | 5/79 | 1000 | 10.00 | 1.0 | 0.25 | 4.50 | 127.8 | 31.6 | 0.3 |
| JMB REALTY | O-JMBRW | 8/82 | 510 | 20.00 | 1.0 | 1.25 | 16.75 | 26.9 | 25.0 | 0.6 |
| M&T MTG INV | O-MTMIZ | 8/80 | 747 | 13.00 | 1.0 | 0.25 | 10.63 | 24.6 | -34.1 | 0.2 |
| MTG INV WASH | O-MINWV | 3/80 | 931 | 15.00 | 1.0 | 0.06 | 3.25 | 363.4 | 0.0 | 0.1 |
| NATIONWID RE | O-NRELW | 1/81 | 652 | 32.00 | 1.0 | 0.15 | 14.38 | 123.6 | 150.0 | 0.1 |
| NORTH AM MTG | A-NAMW | 3/79 | 710 | 31.13 | 1.0 | 0.16 | 4.38 | 614.4 | 166.7 | 0.1 |
| REPUBLIC MI | A-RMIW | 6/79 | 1064 | 20.00 | 1.0 | 0.06 | 2.63 | 662.7 | 100.0 | 0.1 |
| SAN FRAN RFI | A-SFIW | 12/80 | 1348 | 25.00 | 1.0 | 0.75 | 16.63 | 54.8 | 0.0 | 1.0 |
| SECURITY MT* | A-SMOW | 5/79 | 3117 | 16.00 | 1.0 | 0.06 | 3.88 | 313.9 | 0.0 | 0.2 |
| SUTRO MIT(B) | A-SUTW | 6/82 | 700 | 20.00 | 1.0 | 1.50 | 11.38 | 88.9 | 50.0 | 1.1 |
| UNITED RLTY | A-URTW | 12/79 | 3610 | 20.00 | 1.0 | 0.19 | 10.38 | 94.5 | 46.2 | 0.7 |

*DEBENTURES USABLE IN LIEU OF CASH.

NON/LOW EARNING INVESTMENTS AS OF SEPTEMBER 20, 1978

| | Number | -----Invested Assets----- Non/Low-Earn. | Total | % Non- and low-earning | % Change in month |
|----------------------|--------|--|-----------|---------------------------|----------------------|
| PROPERTY..... | 31 | \$ 92M | \$ 2,040M | 5% | +1.1% |
| PROPERTY & MTG..... | 24 | 519 | 1,977 | 26 | -0.4 |
| SHORT/TERM MTG..... | 11 | 166 | 705 | 24 | -1.8 |
| L/T MTG/PROPERTY.... | 13 | 297 | 1,737 | 17 | -3.3 |
| MTG/FORECLOSED PROP. | 62 | 4,803 | 6,553 | 73 | -3.3** |
| TOTALS/AVERAGES.... | 141 | \$5,878M* | \$13,012M | 45% | -2.9% ** |

* Includes \$1,010M or 7.7% low-earning assets. **Calculated after adjustment of previous month's total for exclusion of TMC Industries.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$#" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\$*". Cash flow derived from amortization of debt discount is denoted by "\$e". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

TENDER/EXCHANGE OFFERS: BARNETT WINSTON WRAPS UP CASH DEAL AS INSTITUTIONAL NEARS

Barnett Winston Investment Trust is paying 58% of par for \$11.7 million face amount of its 8½% convertible subordinated debentures, in effect retiring about 39% of the \$30 million issue and bringing outstanding bonds to \$18.3 million. BWIT rejected \$1.87 million bonds tendered for exchange into a proposed 5% debenture, saying this amount wasn't enough to make the offer succeed.

The cash offer succeeded because Schultz Investments, Ltd. of Cleveland had agreed in advance to tender \$7.8 million, or about 26% of the issue.

The other \$3.9 million came from public holders.

BWIT bonds had soared in price during the tender, from the 58 cash price to over par on recent quotations. They ran up partly because the trust repaid all its bank debt, partly because former sister trust TRECO paid back interest on its old bonds, and partly because BWIT holds a mortgage on a hotel in the proposed Miami Beach gambling zone.

Big question is what happens next to BWIT.

It earned 86¢/sh. in the June quarter (table, p. 8) after taking \$1.00/sh. gains on asset swaps. The successful cash tender will net about \$2.00-plus/share in the Sept. 1978 quarter, last of its fiscal year, assuring black ink for the year.

That will restore positive net worth. And bank debt is now gone. The big concerns:

1. Will BWIT pay the \$165 accrued but unpaid interest on the bonds? Most of the remaining 8¼s are reported held by two large Wall Street junk bond specialists and their clients. They want income. BWIT hasn't said yes or no.

TRECO (formerly Barnett Mtg.) has approved payment of four past-due installments totaling \$170 on its old 8½% convertibles due 1998 and \$135 to its 6-3/4s due 1991.

That puts pressure on BWIT. Especially with two large holders still around.

2. What happens when the old debentures cut conversion price? The 8¼s become convertible at 80% of average trading price on 10 selected days during November.

At current quotes of 3-3/8, the \$18.3 million remaining bonds would potentially be worth 6.78 million shares--vs. 1.66 million shares now.

Thus the two large holders effectively could convert into a control position.

All this restrains our enthusiasm for both shares and bonds at current prices.

Both appear suited for sophisticated investors willing to enter a complex situation.

Institutional Investors Trust unveiled elements of its proposed restructuring of its 7-7/8% senior subordinated notes due in about 16 months, on Feb. 1, 1980.

IIT picked the same investment banker as Bay Colony and not unsurprisingly the terms are quite similar to BAY's successful restructuring earlier this year.

Except that IIT is paying a richer price to make peace with subordinated debt.

The proposed offer: \$1,050 of a new 8¼% First Priority Subordinated Note due 1987, plus 50 shares of common stock (market value currently about \$125).

Brokers would get \$7.50 per bond tendered plus an extra \$10 if the deal closes.

IIT would pay these rich terms because its banks are insisting upon 80% acceptance and one bank, Morgan Guaranty, tried to hold out for 90%.

(Morgan incidentally went along with "successful" acceptances of 51% and 53% for Citizens & Southern Realty and Tri-South Mortgage recently--both bank-sponsored trusts.)

The offer must clear the SEC, hopefully by end of October, to be made formally.

EARNINGS TRENDS: SPECIAL ITEMS CONTINUE TO BOLSTER PROFITS FOR TROUBLED TRUSTS

Glance at the table on Page 8 and you can see the substance of Wall Street's faith in recovery of the troubled trusts: Twelve of the 16 troubled trusts (i.e., nonqualified business trusts) turned in black ink during their latest quarters.

| Trust-Period ended | -Latest Q-Th.-\$ Earn/Spcl.Item# | --Latest Q-EPS-- Earn/Spcl. Items# | --Earnings/sh.- Prev.Q Yr.agoQ | -Z Chng. From*- Prev.Q Yr.ago Q |
|--|-------------------------------------|---------------------------------------|-----------------------------------|------------------------------------|
| Quarterly results: Qualified trusts: | | | | |
| Cont. Ill. Prop.July.. | \$ 312/d100W | \$0.07/d0.02W | \$0.07 \$0.09 | UC -22% |
| First Contl.Aug... | 537 | 0.26 | 0.25 0.22 | + 4% +18 |
| First Union RE....July.. | 2,163/1000G | 0.45/0.23G | 0.23a 0.21 | + 5* + 5* |
| Flatley Rlty.....June.. | 116 | 0.12 | d0.03 0.04 | Better +200 |
| General RE Sh....June.. | 398/ 321G | 0.72/0.58G | 0.16 0.62a | -13* +500* |
| GREIT Realty.....July.. | 140 | 0.14 | 0.10 0.21 | +40 -33 |
| Hospital Mtg.....Aug... | 88 | 0.07 | 0.10 0.15 | -30 -53 |
| Hubbard REI.....July.. | 1,723 | 0.43 | 0.41 0.36 | + 5 +19 |
| ICM Realty.....Aug... | 711 | 0.24 | 0.28a 0.15 | +60* +60 |
| MassMutual Mtg...July.. | 1,706 | 0.37 | 0.38a 0.31 | +19* +19 |
| MONY Mtg. Inv....Aug... | 1,545 | 0.17 | 0.36b 0.16 | -42* + 6 |
| Mtg. Growth Inv..Aug... | 343 | 0.13 | 0.12 0.05 | + 8 +160 |
| Rlty.&Mtg. Pacif.Aug... | 541 | 0.29 | 0.31 0.32 | - 6 - 9 |
| REIT of America..Aug... | 472 | 0.28 | 0.31 0.29 | -10 - 3 |
| REI Properties...June.. | 268 | 0.56 | 0.46 NA | +22 NA |
| Realty Income Tr.July.. | d494 | d0.32 | d0.56 +0.10a | Better Worse* |
| Riviere Rlty.....June.. | 131 | 0.16 | 0.17a 0.11 | +23* +45 |
| Quarterly results: Nonqualified business trusts: | | | | |
| Barnett-Winston..June.. | 1,432/1671S | +0.86/1.00S | d0.77 d1.06 | Better Better |
| Builders Inv. Gr.June.. | d1,100 | d0.39 | d0.72b +0.69b | Better* Better* |
| C.I. Mtg. Group..July.. | d1,097 | d0.23 | d0.24 d0.39 | Better Better |
| Citinat. Devel...June.. | 175/ 120G | +0.29/0.20G | +0.00 0.05 | NM +480 |
| Citizens Growth..July.. | 53 | +0.07 | d0.03 d0.12 | Better Better |
| Citizens Mtg. In.June | d535 | d0.45 | d0.56 d0.68 | Better Better |
| First Memphis Rl.May... | 208 | +0.18 | +0.70b d0.25 | Better* Better |
| First Newport....July.. | 325 | +0.14 | d0.43 +1.16b | Better Better* |
| Franklin Rlty....June.. | 87/ 15N | +0.09/0.01N | 0.14b 0.08 | Better* UC* |
| Growth Realty....June.. | 2,338/d1559S | +1.15/d0.76S | d0.22 +0.65b | Better Better |
| Guardian Mtg....May... | 824/ 400N | +0.27/0.13N | d1.27 +0.31b | Better Better* |
| Inst. Inv. Tr....July.. | 2,013/2157I | +0.33/0.35I | d0.34 d0.41 | Better Better |
| Midland Mtg. In..June.. | 430/1903S | +0.18/0.80S | d0.18b d1.05b | Worse* Better* |
| South Atlantic...July.. | 229/1793Y | +0.08/0.66Y | d0.46 d0.63 | Worse* Better |
| Texas First Mtg..June.. | 52/ 64S | +0.05/0.06S | +0.01 d0.29 | Better Better |
| Westport Co.....July.. | d 59 | d0.03 | d0.03 +0.09b | UC Better* |
| Annual results: All trusts: | | | Prev. year | |
| Citinat. Devel...Mar... | d 39/ 8G | d0.07/0.01G | d0.15 | --- Better |
| Flatley Rlty.....June.. | 226 | +0.23 | +0.32/0.22W | --- +130% |
| Franklin Realty..June.. | 480/204G,190N | +0.48/20cG,19cN | d0.28 | --- Better |
| Growth Realty....June.. | 8,210/6716S&I | +4.03/3.30S&I | +3.79/6.52S&I | --- Better |
| Midland Mtg. In..June.. | d327/7097S | d0.14/2.98S | d2.17/1.87S | --- Better* |
| Mtg. Inv. Wash...Mar... | d3,691/ 294G | d1.72/0.14G | d2.14 | --- Better* |
| REI Properties...June.. | 886/d62e | 1.81/d0.13e | 1.69 | --- + 7 |
| Texas First Mtg..June.. | 196/243S | 0.19/0.23S | 0.72/0.98S | --- Bette* |

UC=Unchanged. NM=Not meaningful. r=Restated. p=Preliminary. d=Deficit.

#=Special items shown in both thousands dollars and share amounts as: G=Gain on sale of assets; L=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser or sponsor; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers.

** Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."
* Compared before special items.

a--Gains or losses on asset sales in share results for previous and year-ago quarters are: First Union: 2c/sh. in prev. qtr.; General RE, 60c in year-ago; ICM Rlty., 13c in prev.; MassMut., 3c sale gain and 3c debenture repurchase in prev. qtr.; Rlty. Income, 15c in year-ago; Riviere, 4c sale gain in prev. qtr.

b--Asset swap gains, tax benefits from net operating losses (NOL), and gains from early retirement of debentures at discounts via tenders in previous and year-ago qtrs. are: MONY Mtg., 26c/sh. loan restructuring gain in prev. qtr.; Builders Inv., 21c/sh. in prev. and \$2.24 in year-ago; First Mem., \$1.16 in prev.; First Newport, \$3.91 in year-ago; Franklin, 20c sale gain and 7c taxloss benefit in prev. qtr.; Growth Rlty., 75c in year-ago; Guardian, \$1.27 in year-ago; Midland, 27c and 83c in prev. and year-ago qtrs.; Westport, 24c in year-ago.

c--Non-recurring costs of merger.

Over half the trusts did it without mirrors--i.e., without special items--pointing toward some normalcy.

Investors welcomed black ink at Guardian Mortgage Inv. with a bang, more than doubling prices to 1-3/4 after GMI turned in 27¢/sh. net in the May quarter including 13¢ taxloss benefits. Closer inspection dulled market enthusiasm: GMI filed Ch. XI bankruptcy March 8 and paid no interest on \$238 million debt in the quarter. GMI ended the month by agreeing with senior bank creditors on a plan to pay banks their \$204 million principal by 1990, without interest. GMI still must work out a plan for three subordinated debt issues.

Growth Realty (formerly LMI Investors) was strongly in the black in the closing quarter of its June 1978 fiscal year after year-end adjustments. GRI earned \$4.03/sh. in 1978 after banking \$3.30/sh. gains on swaps with banks and interest forgiveness when it mortgaged some properties, partly to former sponsor CNA Financial.

GRI ended the year with \$8.27/sh. book value, including about 20¢ intangibles. Management issued a press release saying it estimated market value of some properties at about \$4/sh. over book value.

First Newport Realty (formerly Alison) also turned 14¢/sh. profit in the July quarter without benefit of special items. Property holdings have been improving steadily and it continues to benefit from early restructuring of subordinated debt. How-

ever \$7.4 million of 8-3/4% senior subordinated notes are due May 15, 1979.

Other troubled trusts reporting profits were First Memphis Realty helped by 16¢/sh. gain on property sales and lower money costs; smallish Cititnational Development aided by 20¢/sh. previously deferred profit on property sales; and Franklin Realty, buoyed by syndication sales and new operations.

Midland Mortgage earned big gains on asset swaps of 80¢/sh. in the June quarter and \$2.98/sh. in the June year to keep shareholders' equity narrowly positive. South Atlantic (formerly Atico) benefitted by 66¢/sh. reversal of the loss reserve.

Among dividend payers, First Union RE netted 23¢/sh. gain on sale of the Freedom Federal office building in Tampa, Fla. MassMutual Mortgage, which has little exposure to rising interest rates, continued recovery with a 37¢/sh. performance in July that included 5¢/sh. loan prepayment fee. The trust is negotiating to sell six foreclosed properties with \$11 million cost and plans to invest \$35 million in long-term first mortgages on hotel/motel properties. Loans will have kicker contingent interest.

MONY Mortgage boosted net over 1977 after a major loan was restructured. Continental Illinois Props. earnings fell to 7¢/sh. in July after 2¢/sh. charge from mortgage refinancing but net cash flow was 34¢/sh., up slightly (see RTR, June 23).